

**MINUTES OF SPECIAL MEETING  
2005 SERIES RA SINGLE FAMILY PROGRAM REFUNDING BONDS  
October 19, 2005, 9:00 A.M.**

Notice having been given, the Montana board of Housing held a special meeting on the sale and awarding of its 2005 Series A Single Family Program Bonds. The meeting took place via teleconference to discuss the Bond Resolution, awarding of the bonds, final pricing, and the Purchase Contract. Present were:

Board members: Bob Thomas, Judy Glendenning, J.P. Crowley, and Betsy Scanlin

MBOH Staff: Bruce Brensdal, Charles Nemec, Nancy Leifer, Mat Rude, Vicki Bauer, and Diana Hall.

Bond Counsel: John Wagner, Ann Atkinson

UBS: Peter Nolden, and Mina Choo

Orrick Herrington: Steve Spitz

Bob Thomas convened the meeting at 9:15 a.m. after a roll call was taken and a quorum was established.

Peter Nolden summarized the deal and said it was an extremely successful sale. Some of the term bonds were restructured. The series RA<sub>1</sub>, the non-AMT bonds that went out for as long as forty years ended up at 4.75%. The underwriters are particularly proud of that one because there is not a lot of non-AMT bonds in the market out that far. On the same morning the State of Illinois sold housing bonds insured and rated AAA as far as 2036 for 4.80%. So Montana Board of Housing (MBOH) did 5 basis points better and went 10 years longer. The Series RA<sub>2</sub> AMT bonds caused a struggle with the serial bonds. The yield was increased from 3.20% in 2006 to 4.16% in 2016. The term bonds in 2027 did better at an interest rate of 4.70%, so overall the technical tax bond yield is approximately 4.67% and 1995 B<sub>1</sub> and B<sub>2</sub> bonds which MBOH refunded were out at 6.40%, so it is a significant savings. The bonds were rated AA1 and AA+ by Moody's and Standard and Poor's. Bids were accepted for guaranteed investment contracts for the so-called float funds. This is a contract where MBOH invests the monthly receipts of mortgage repayments at a guaranteed interest rate. None of the bids exceeded 4%, therefore, after considering them, it was determined to pass on the guaranteed contract. MBOH will continue to invest in the market as best as they can and it will be revisited at a higher rate

guarantee when rates go up in the future. Funds were wired to the Board's Trustee pursuant to the Purchase Contract. A good faith deposit in the amount of \$302,800 is prepared for closing on November 16, 2005, when funds will be available. The transaction exceeded the benefits expected from the economic refunding, especially the extension to 40 years for recycling for the Board's special programs.

John Wagner from Kutak Rock explained the Resolution to the Board. J. P. Crowley moved to accept Resolution 05-1019-S3 as stated. Judy Glendenning seconded the motion. The motion passed by a roll call vote. Bruce will sign the Bond Purchase Contract and fax it to Peter Nolden and Steve Spitz.

There being no further business, the meeting adjourned at 9.25 a.m.

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Bob Thomas, Chairman

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Date

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Bruce Brensdal

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Date